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/For information on the role of the Farmer's Association, especially in regard to agricultural extension work, applied animal science, money lending, as an agent for the provincial government's food bureau, etc., see category 474./

1:Gallin E-4,5 (1957-1958) 1966
AD5 Taiwan Hokkien AD5



probably more than one-half of these loans are made to tenant farmers and to people who are both landowners and tenants. However, the funds available for such loans are limited, and can therefore play only a small part in alleviating the rural credit situation.

In 1958 there were also two types of loan systems sponsored by the provincial Food Bureau and administered by the Pu Yen Farmers' Association. One system, called Sheng Ch'an Tai K'uan, "Money Lending for Production," makes available through loans small amounts of cash directly proportional to the amount of land the borrower operates (owns or rents). For each *chia* of land he operates a farmer can borrow NT $600. Farmers who operate small amounts of land, like the majority of Hsin Hsing farmers, therefore do not like to borrow money under this plan since the amounts are too small and involve too much red tape. An additional, and perhaps greater, disadvantage of this system is that the money borrowed, plus the interest, must be paid back in rice rather than in cash. The rice to be repaid is not calculated at the market price but at the rather lower official price. Consequently, the farmer must pay back much more rice than he could have bought with the money he borrowed plus the interest.

The other Food Bureau loan plan is to aid poor people who do not have enough rice to eat. These people may borrow brown husked rice (unpolished) at a low interest rate. This rice loan must then be repaid in new unhusked rice. According to an employee of the Farmers' Association, the brown husked rice loaned out by the Food Bureau under the administration of the Farmers' Association is rice stored in the association warehouses which the Food Bureau wishes to get rid of before it spoils. The only people who are eligible for such a loan are poor people who grow rice.

The government Land Bank also offers loans, but these are usually made to large landholders who want the money to engage in business, offering their land as security. Thus, in times of financial need most small farmers must still resort to private moneylenders who require little security but charge interest rates of about 3.6 percent per month. Such loans are frequently for short terms because the interest rate is so very high. The moneylenders are usually landlords or former landlords and businessmen who have cash on hand and engage in such business as an investment. However, there are also small farmers who happen to have some cash on hand and lend it for a short time at the same high interest rates. These men will also sometimes lend small sums of money for a short time without interest to someone with whom they are intimate—some *ch'in tsu* or *ch'in ch'i*, or even some very close friends who are not related to them in any way.

Another common means of borrowing money in the Hsin Hsing area, and in urban centers, is through a moneylending club. These

1:Gallin E-4,5 (1957-1958) 1966
AD5 Taiwan Hokkien AD5



These clubs, which are very popular in Hsin Hsing, are similar to the clubs formerly found in many parts of mainland China (Fei, 1939:267–274) and in Japan (Embree, 1939:138–147). Loan clubs, usually with ten to fifteen members, are organized by a man or woman who is considered reliable and trustworthy and who needs a large sum of money for some special purpose such as building a new house, buying some land, or paying for engagement gifts or dowry. The members, enlisted by the organizer, are usually his relatives, friends, or neighbors or sometimes even acquaintances of any of the others. The members are generally people who are interested in being of help to the organizer in his financial need, but there are others who participate only because they hope to make a profit.

The operation of such a moneylending club is quite complex. By means of such a system a person in financial need is often able to obtain an interest-free loan which is to be paid off over a fairly long time—usually more than a year—in equal monthly installments.[8] If the amount involved is very large, such a club may use rice instead of money for the initial loan and for all payments. Under this system, all the payments are made twice a year, that is, after each rice harvest, over a period of years. For the most part, only rice growers participate in this latter transaction.

Generally speaking, then, the problem of farm credit has not yet been solved in the Hsin Hsing village area. A very large proportion of small farmers in financial need must still borrow money under the traditional high-interest systems. The problems of poor credit facilities, along with other financial burdens of the land, seem to be a factor in the increase in the number of families which are forced to find ways of supplementing farm income.

### *Agent for the Provincial Government's Food Bureau*

It is only through the increased use of fertilizer that it is possible for the Taiwanese farmer to cultivate the land so much more intensively than before. In the middle and late 1930's Japanese chemical fertilizer and bean cake imported from Manchuria was used in Taiwan. Then, as now, the fertilizer was distributed for the government by the local Farmers' Associations. Under the Japanese, however, the villagers report, the system of distribution and payment for the fertilizer was quite different. Then, the farmer could easily obtain as much fertilizer and bean cake as he needed and desired so long as it was available. The cost of the fertilizer could be paid in cash (as could the land tax) after the sale of the rice harvest to a merchant. Now, payment for the fertilizer is only made in rice, partly before and partly after the harvest. Today, the government, operating through the provincial government's Food Bureau, has a monopoly on the importa-

1:Gallin E-4,5 (1957-1958) 1966
AD5 Taiwan Hokkien AD5
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annual main crop, the new owner is mentally in a better situation, and socially he has climbed to the rank of owner-farmer.

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Often, villagers who have purchased land under the reform program do not really consider themselves its owners. Besides knowing that they are not yet reaping any increased income from the land, many have a "seeing is believing" attitude. They will believe that the government has made it possible for them to own the land when they no longer have to pay on the mortgage and when they earn an income from the land equivalent to what an owner-farmer earns. They recognize what the future may hold for them as "real owners," but, in the meantime, the burden is extremely heavy.

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Villagers who work outside Hsin Hsing have done more to raise the standard of living than has the decrease in tenancy. The increased use of cash has also led to an apparent rise in living standards. In Japanese times, villagers tended to save their money toward future land purchase. Today, people no longer save money for fear of inflation; instead, they are using their cash to purchase tangible goods—bicycles, more and better clothing, and so on, are increasingly in evidence in the rural area.

## THE NATURE OF PRIVATE-OWNERSHIP LAND

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The 29.5567 *chia* of privately owned land in Hsin Hsing village falls into three categories: (1) individually owned, 35.3 percent of the total private land; (2) jointly owned, 61.5 percent of the total; and (3) corporate or community owned, only 3.2 percent of all the private land owned. (See Table 24.) This classification and the percentages for each type in Hsin Hsing approximate the situation in Taiwan as a whole (T'ang, 1954:98–107).

The system of individually owned land is rather simple, since it consists of portions of land legally owned by one individual who, in most cases, represents a family. On all land records this land is always listed in the name of that one owner. As can be seen in Table 24, very little of the land individually owned in Hsin Hsing is house or road land; it is almost all cultivated land.

Joint-ownership land in Taiwan is one of the most complex forms of private ownership to record and keep track of. It is a common phenomenon making up the largest percentage of the privately owned land in Hsin Hsing as well as in Taiwan. A plot of land is owned jointly by from two to hundreds of individuals. Each joint owner will own a portion of the plot—one-third, one-fifth, or one-twelfth, and so on. In many cases, in Hsin Hsing at least, the joint owners do not own equal shares. Each joint owner may work his share independently or in small groups according to family relationship.

Under the land reform record-keeping system, rather than register-

3: Wolf F-5 (1959-1961) 1968 AD5 Taiwan Hokkien AD5
Peihotien



Gioq-ki owes a lot of money

because of her gambling, so So-lan has had to start a loan society to pay it off. There are twenty-six members in the group and they each put in NT$100 so she must owe a lot. [Lim So-lan must have needed NT$2600 or she would not have organized such a large group.] Gioq-ki's husband won't give her any money because she gambles so much. They buy their food on credit at Ng's store and then the husband pays up the account at the end of each month."

It was only toward the end of our stay in the village that Lim So-lan decided to take up her husband's last occupation. "After my husband died," she told us, "his friends told me that I ought to continue having people in to gamble, but I was too unhappy then to do it. Besides, without a man in the house this is hard for a woman to do. Then a couple of months ago Song Sin-bin and his friends asked if they could play cards here and I let them. When they play mah-jong, each player gives me a dollar. I make about NT$10 a day. I am supposed to provide the tiles, but since I don't have any, Song Sin-bin brings his. I have asked him to sell them to me. I told him I was embarrassed to take their money when I couldn't even provide the tiles. He said he paid NT$200 for them, but he would sell them to me for NT$180, so I think that I will buy them. When they play mah-jong, I don't make much money, but it isn't much trouble, either. When they play cards, I make much more money—a pack of cards cost NT$ .50, but the owner sells them for NT$5, and they can only be used eight times—but it is a lot more trouble because you have to provide things to eat, too."

A-hua, So-lan's adopted daughter, is in her late teens now. Her contribution to the family income is not very large. In fact, the only way a young girl can make a significant financial contribution is to become a prostitute, and Lim So-lan's family is not poor enough to require that kind of sacrifice. A-hua could earn more than she does if she worked in one of the factories in Tapu or Lungyen, but her mother will not allow this. "A-hua," she said, "earns NT$15 a day in Lim Chieng-cua's factory. That isn't too bad. If she went out of the village to work, she would have to have better clothes and take her lunch. All considered, she probably wouldn't make too much more. That is part of the reason I won't let her go outside to work.

"A few days ago when the factory was low on work, she and some of the others went out and found jobs in Tapu, but I won't let her take it. Her pay is higher than the other girls who work for Lim

342 summer and warmest in winter. Starting in the late forties, houses have been constructed of fired brick, always with tile roofs. A brick factory is located on the main road just over half-way to Hsin Tien. Fired-brick house types now constitute a majority in the village.

The original floors in all the house types described above are pounded earth but cement floors are now being added. The first room to be floored is either the kung t'ing (main room) or kitchen. Bedrooms still are seldom other than pounded earth.

Under the stimulation of the government, a new style house is being built entirely of reinforced concrete: floor, walls, and roof. The government requires use of one of three stock plans. The houses are designed to eventually become row houses with a common wall, i.e., reinforcing rods protrude in appropriate places. Additionally, each house is designed to eventually reach three stories, each preceding roof becoming a floor. If someone builds a house as specified by the government, he can obtain a low-interest house loan. This stimulation has resulted in the construction of three recent houses in Sanlei. The advantages of the house style which include the natural cleanliness of all cement floors, long economic life, and relative resistance to typhoons must be balanced against the disadvantages of a pervasive dampness and chill

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